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FM AMEMBASSY KIEV
TO RUEHC/SECSTATE WASHDC IMMEDIATE 9916
INFO RUCNCIS/CIS COLLECTIVE
RUEHZG/NATO EU COLLECTIVE

C O N F I D E N T I A L SECTION 01 OF 02 KIEV 002329

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E.O. 12958: DECL: 06/15/2016

TAGS: PGOV PINR SOCI MARR UP

SUBJECT: UKRAINE: AT THE RADA, PARTY OF REGIONS UPBEAT

REF: A. KIEV 2316

1B. KIEV 2188

Classified By: Ambassador for reasons 1.4 (b) and (d).

Summary

11. (C) The action at the June 15 Rada session was not at the rostrum, but on the floor and in the hallways, where Party of Regions leader Viktor Yanukovych shook hands, slapped backs and assured reporters that Regions would sign a coalition agreement on June 20 -- when the Rada reconvenes. Our Ukraine (OU) MPs working the hallways offered a more nuanced view, stressing that OU was "consulting" and not yet "negotiating" with Regions; OU MP Anatoliy Matviyenko called on the Tymoshenko Bloc (BYuT) to join in a grand coalition with OU and Regions. Ukrainska Pravda reported that OU will not move into formal negotiations with Regions until Regions agrees to change its stance on NATO and drops its insistence on a federalist form of government and Russian as a second State language. Senior BYuT MPs told us that the bloc would participate in an Orange coalition or go into opposition; there would be no cooperation with Regions. BYuT MPs were headed back to their constituencies to prepare local supporters for BYuT turning up the heat on Yushchenko. For her part, Yuliya Tymoshenko blasted the president for "blessing" the formation of an Orange-Blue coalition, and defiantly announced that she would never "hand Ukraine over to the clans" by teaming up with OU and Regions; BYuT, she stressed, was ready to "fight for Ukraine." Privately, some BYuT MPs told us that they would be reaching out to First Lady Kateryna Yushchenko in an effort to get her to persuade the president to revive the Orange coalition talks. A well-connected newspaper editor and a senior aide to Socialist Party leader Moroz also told us that Moroz would see Yushchenko before he departs June 16 for Kazakhstan. End summary.

Rada Session: Little Action At The Rostrum

12. (C) The June 15 Rada session lasted about two hours, with MPs spending most of that time discussing whether or not to consolidate some of the Rada's committees, specifically the committees on social policy and war veterans/persons with disabilities. Prior to adjourning until June 20 at 10:00 a.m., MPs voted on a Communist Party proposal to amend the Rada's agenda to include discussion of forming an ad hoc investigatory committee into recent events in Crimea and Dnipropetrovsk (Refs A and B); the measure, unanimously supported by the Communists and the Party of Regions, did not pass. (Comment: The Regions support flies in the face of Roman Zvarych's June 14 assurance to DCM that OU would "close its doors" if Regions backed such a measure. See septel. The fact that the defeated measure was simply to add an item to the Rada's agenda, rather than a vote actually to form such a committee probably provides enough of a fig leaf,

however, to save OU's face and keep the OU-Regions "discussion" going.)

...But A Lot On The Floor And In The Hallways

¶3. (SBU) The real action at Thursday's session was on the Rada floor and in the hallways. With the media reporting before the start of the session that an Orange-Blue coalition between Our Ukraine (OU) and Regions was imminent, Regions MPs were ebullient. The beaming Regions' leader, Viktor Yanukovych, spent much of the session circulating among his MPs, shaking hands, slapping backs, kissing cheeks and occasionally huddling with Regions' heavyweights Borys Kolesnikov and Yevhen Kushnaryov. (Note: Regions deputy and financial backer Rinat Akhmetov was absent.)

Coalition Status: Regions' View...

¶4. (SBU) Speaking with a small group of journalists and diplomats, Regions MPs Andriy Klyuyev and Taras Chornovil stressed that Regions now had the initiative in the coalition formation process. They emphasized that Regions was negotiating, not consulting, with Our Ukraine, and noted that MP Mykola Azarov had the lead for Regions. They declined to predict when a coalition would be formed or who would get key positions; Klyuyev stressed quietly and repeatedly that "all possibilities" were being discussed. However, following the close of today's session, Yanukovych himself told journalists that Regions would sign a coalition agreement on June 20; in response to a question about who would serve as prime minister, Yanukovych -- in a reference to Regions' first-place finish in the March parliamentary elections --

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said that the "Ukrainian people had already determined" who the new prime minister would be (i.e., him).

...The Our Ukraine Take...

¶5. (SBU) Our Ukraine MPs Roman Zvarych and Anatoliy Matviyenko reiterated to us, and to the press, that Our Ukraine was engaged in "consultations" not negotiations with Regions (septel). Asked to explain the difference, Matviyenko emphasized that Our Ukraine truly wanted the Tymoshenko Bloc (BYuT) at the negotiating table along with Regions. Our Ukraine was ready to proceed "bilaterally" with Regions, but still hoped for a "best-case" broad coalition that included OU, Regions and BYuT, Matviyenko claimed. (Note: Ukrainska Pravda reported on June 15, citing unidentified OU sources, that OU would only move from "consultations" to "negotiations" with Regions if Regions dropped its support for Federalism and making Russian a second State language and changed its stance on NATO. Without those concessions, according to the OU sources, "there will be no negotiations.")

...The Tymoshenko Camp Message...

¶6. (SBU) Senior BYuT MP Mykola Tomenko, speaking to a crowd of journalists and diplomats, declared that BYuT's position had not changed: the bloc would participate in an Orange coalition or go into opposition. He urged OU, and President Yushchenko, to carefully review the offer made on June 14 by Socialist Party leader Oleksandr Moroz (Ref A) and return to the negotiating table. BYuT and the SP were not trying to infringe on the president's constitutional powers to appoint oblast and rayon chiefs, but simply wanted an equitable distribution of government posts based on the results of the March parliamentary elections. BYuT MP and Tymoshenko foreign policy guru Hryhoriy Nemirya told us privately that BYuT MPs would use the next few days to return to their constituencies and prepare people for BYuT going into

opposition and turning up the heat on Yushchenko. For her part, Yuliya Tymoshenko blasted the president for "blessing" the formation of an Orange-Blue coalition, and confirmed to reporters at the Rada that she would never "hand Ukraine over to the clans" by teaming up with OU and Regions; BYuT, she stressed, was ready to "fight for Ukraine."

...And The Missing Man

¶7. (C) Privately, BYuT MP Volodymyr Polokhalo told us that BYuT MPs would try to reach out to the president's wife, Kateryna, in the next few days in an effort "to talk some sense" into Yushchenko. The president was being manipulated by OU oligarchs like Petro Poroshenko and was now simply a figurehead, Polokhalo stressed. Separately, Vysoky Zamok Chief Editor Nataliya Balyuk (a Tymoshenko partisan whose husband is a BYuT MP) and longtime Moroz aide Olena Nykulyn told us that the Socialist Party chief would see Yushchenko prior to the president's departure on June 16 for a two-day trip to an energy/regional security conference in Kazakhstan.

(Note: Later on June 15, the President's press service reported Yushchenko, who "still supported" an Orange coalition, had met with Moroz.) Balyuk, a veteran observer of Ukrainian politics, likened the state of Team Orange to that of a cancer patient. The patient may in the end die prematurely of cancer, Balyuk said, "but there's always hope for a miraculous recovery."

Taylor